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Programme budget for the biennium 2004-2005

Programme planning

Proposed strategic framework for the period 2006-2007

Part two: biennial programme plan

Programme budget implications of recommendations contained in the report of the Committee for Programme and Coordination

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the statement submitted by the Secretary-General (A/C.5/59/13), in accordance with rule 153 of the rules of procedure of the General Assembly, on the programme budget implications of paragraphs 347, 348 and 349 of the report of the Committee for Programme and Coordination (A/59/16).

2. As indicated in the statement, under the terms of paragraph 347, the Secretary-General would be requested to report to the General Assembly at its sixtieth session, and biennially thereafter, on the contribution made by the Department of Management to the improvement of management practices in the Secretariat, including measures to increase efficiency and productivity. Under the terms of paragraph 348, he would be requested to develop a time-bound plan for the reduction of duplication, complexity and bureaucracy in United Nations administrative processes and procedures, including the adoption of a Secretariat-wide approach to streamlining and automating them, and to report to the Assembly at its sixtieth session on the plan and on the progress made in implementing it.

3. The Committee notes that the Secretary-General estimates that the reports related to the requests in paragraphs 347 and 348 can be prepared within the existing resources currently allocated under section 29A, Office of the Under-Secretary-General for Management, of the programme budget for the biennium 2004-2005 (A/C.5/59/13, para. 4).

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4. As further reflected in the statement, under the terms of paragraph 349, the General Assembly would request the Secretary-General to develop improved tools for identifying the cost of activities and outputs and to report to the Assembly at its sixtieth session on options for applying cost-accounting techniques drawing on best international practices. It is indicated in the statement (para. 5) that the request in paragraph 349 would necessitate a feasibility study in 2005, which, according to the Secretary-General, would require the services of a consulting firm specializing in cost accounting. Such a study would (a) analyse available cost-accounting tools and their applicability for identifying and analysing the costs of activities and outputs at the United Nations; (b) cover the need for the potential adaptation of existing systems for the provision of sustainable data (including IMIS and IMDIS); and (c) look into ongoing requirements for the acquisition, implementation, management and continued maintenance of the cost-accounting system.

5. The Committee was informed that, in preparing the programme budget implications, the Secretariat had looked at availability within the United Nations and the United Nations system and had concluded that the specialized expertise required was not available.

6. The related additional resource requirements for the feasibility study are estimated to amount to $500,000. The Committee was informed that this would cover consultant fees, including software, as follows:

	US dollars
Software	150 000
3 to 4 consultants for 12 weeks	350 000
Total	**500 000**

7. The Committee enquired as to the status of consultancy funds in the current biennium for section 29 of the programme budget and was informed that, of the total appropriation of $849,500, the balance, as at 30 September 2004, was $511,396, with all funds already allocated or programmed.

8. The Committee notes that the cost of eventual implementation cannot be "reliably projected at this time in advance of the required feasibility study" (see A/C.5/59/13, para. 5).

9. The Committee further notes from the Secretary-General's statement (para. 6) that the programme budget implications were reported to the Committee for Programme and Coordination at the time of the adoption of its report (see A/59/16, para. 14), and to the Economic and Social Council at its substantive session of 2004, in accordance with rule 31 of the rules of procedure of the Council.

10. **The Advisory Committee recalls that cost measurement exercises have been attempted by the United Nations and its funds and programmes a number of times since the 1970s, with varying degrees of success. The Committee has, in the past, pointed to the need to ensure that such exercises not be time-consuming and cumbersome and that, once the initial data has been collected, any long-term system be simple to administer. Moreover, as has been stated by**

the Committee in the past, the cost of such an exercise must always be considered in relation to its potential benefit and practical usefulness.

11. The Advisory Committee recommends that the Fifth Committee inform the General Assembly that, should it endorse the recommendations contained in paragraphs 347, 348 and 349 of the report of the Committee for Programme and Coordination (A/59/16), the programme of work under section 29, Management and central support services, of the programme budget for the biennium 2004-2005, would be modified as indicated in paragraph 3 of the Secretary-General's statement (A/C.5/59/13), and an additional amount of $500,000 would be required under section 29B, Office of Programme Planning, Budget and Accounts, of the programme budget for the biennium 2004-2005, subject to the procedures for the use and operation of the contingency fund.